

Examples of Policies for How Producers Work Together in Stewardship Systems

1. Defining that producers may operate a stewardship program jointly or independently.

- The Alameda County ordinance and the B.C. Recycling Regulation are examples of policies that allow product producers flexibility in whether they work individually or together to provide the stewardship program. (See Policy Comparison Table, item #6B)
- Every stewardship program must meet all the requirements of the legislation and must accept all covered drugs, which encourages producers to work together.
- In practice in British Columbia, the policy has resulted in a single stewardship organization.
 - The three industry associations representing brand name, generic, and OTC producers have chosen to work together through a nonprofit organization. 116 companies participated in the Post-Consumer Product Stewardship Association in 2011.
 - The PCPSA now provides take-back programs in Manitoba and Ontario, as well as B.C.
 - The nonprofit is run by a Board of Directors that meets in person once a year and by phone four other times.
 - The nonprofit is staffed by 1 full time executive director, and it contracts out for program services in each province and for communications services. Another full time assistant staffer will be hired this year.
 - The non-profit invoices each company annually for its share of program costs. Screenings of returned medicines have found 80% are prescription and 20% are over-the-counter or natural health products and this ratio is used to divide program costs between the two industry sectors. The brand and generic prescription drug producers determine the contribution of each company by number of prescriptions dispensed per year for their 80% of the contribution. The consumer health/OTC producers use total sales per year to determine the distribution of their 20% contribution.

2. Defining a single product stewardship organization

- The WA state proposed legislation initially followed the policy approach outline in #1 above, but was modified in the 2011/2012 biennium to authorize creation of a single non-profit organization through which producers would work together to provide the program. (See Policy Comparison Table, item #6B)
- This approach was modeled in part on the WA Vaccine Association which was established by state law to collect payments from health plans and insurers for universal purchase of vaccines for privately insured children. Staff are not aware of similar precedence for King County requiring the establishment of a non-profit organization to provide a service or function.
- The approach has the benefit of clarifying that there will be a single program, but it does not allow producers any flexibility in their working arrangements.

3. Defining a “Standard Plan” but allowing producers to “opt out” for an independent plan

Washington State’s Electronic Product Recycling Law (70.95N RCW) provides another policy approach that could be adjusted to work in a local ordinance. All producers of covered electronics sold in the state are automatically participants in a “standard plan” unless they opt out to form an approved independent plan.

- The “standard plan” is a state-created entity called the WA Materials Management Financing Authority (WMMFA) which is governed by a board of directors comprised of a total of eleven

computer and TV manufacturers appointed by the Department of Ecology. This standard plan involves a new governmental body created by the state legislature.

- An independent plan may be proposed by a single producer or a group of producers that represents at least a 5% return share of covered electronics. As of 2012, no independent plans have been approved.
- 210 manufacturers participated when WMMFA formed in 2009; 365 manufacturers are participating in 2012.
- WMMFA is staffed by one full time Executive Director who contracts for services and coordinates program promotion.

In Oregon, a similar policy approach to their e-waste recycling law has resulted in one standard plan, provided by a contractor hired by the state Department of Environmental Quality, and three independent plans provided by electronic manufacturersⁱ. Each program must accept all covered electronic products. Some programs “share” collection sites.

1. Standard Contractor Program: 173 participating manufacturers; 33% return share by weight.
2. MRM Program: Panasonic, Sharp, Toshiba + 16 additional TV manufacturers; 41% return share by weight.
3. IPR Program: Sony, Acer, Gateway, LG; 19% return share by weight.
4. Dell Program: 7% return share by weight

ⁱ For analysis and comparison, see a report from the NW Product Stewardship Council, “Preliminary Analysis of E-Cycle Programs in Washington and Oregon”. March 2010.
<http://www.productstewardship.net/PDFs/productsElectronicsEcycleWAORReport.pdf>